



## **EXECUTIVE CHAMBERS**

HONOLULU

**LINDA LINGLE**  
GOVERNOR

For Immediate Release: September 30, 2009

### **RECORDING ERROR WITH GENERAL FUND REVENUES DECREASES STATE'S GENERAL FUND BALANCE**

HONOLULU – Governor Linda Lingle today announced that there was an overstatement of general fund revenues for the fiscal year that ended on June 30, 2009 (FY09). Actual general fund revenues were found to be \$44 million below the amount reported by the State's Financial and Accounting Management Information System (FAMIS). A similar overstatement of \$800,000 also occurred in FY08. These discrepancies change the FY09 general fund balance from a projected positive \$8.0 million to an actual minus \$36.8 million.

The discrepancies were due to errors in the recording of tax revenues collected in FY08 and FY09. In FY09, \$44 million was collected by the Department of Taxation as part of its Delinquent Tax Program. This amount was incorrectly recorded when the Department of Accounting and General Services prepared its FAMIS reports. A similar recording error of \$800,000 also occurred for FY08.

The recording discrepancy was noticed when the Department of Budget and Finance reconciled actual year-end numbers with tax revenue projections submitted by the Council on Revenues on August 27, 2009. As a result of a joint review by the Departments of Taxation, Accounting and General Services, and Budget and Finance, the source of the discrepancy was identified and the errors were corrected.

"With the recent discovery of the recording error, we have an additional \$36.8 million shortfall, and the need for immediate solutions to close the budget gap becomes more urgent than ever," said Governor Lingle. "The Administration is committed to continue working toward this goal."

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For more information, contact:

Georgina Kawamura  
State Budget and Finance Director  
Phone: (808) 586-1518

Lenny Klompus  
Senior Advisor – Communications  
Phone: (808) 586-7708

Russell Pang  
Chief of Media Relations  
Phone: (808) 586-0043